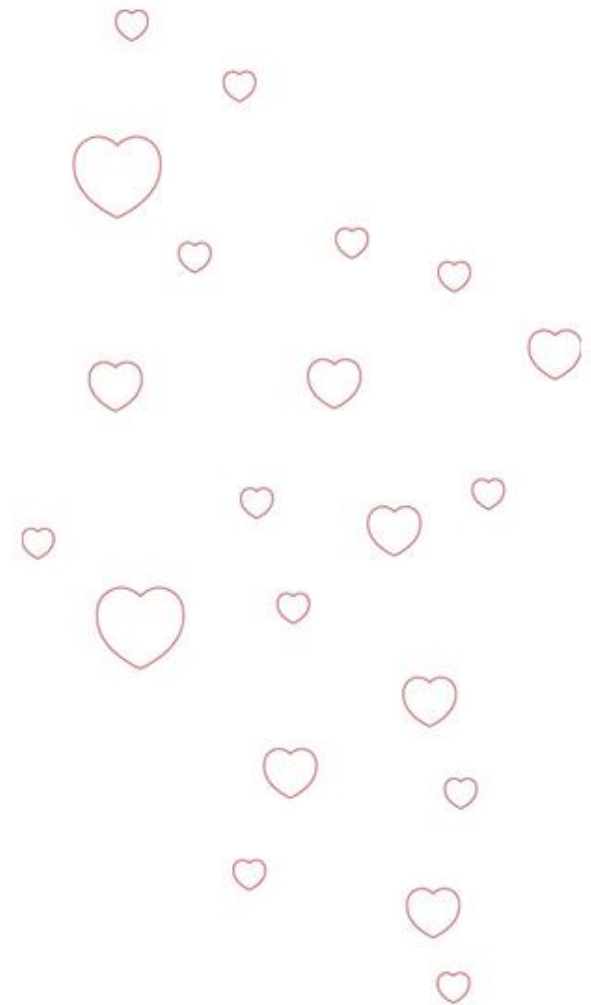


Podravka Group

Erste Group Investor Conference

4 - 8 October 2010, Stegersbach



Content

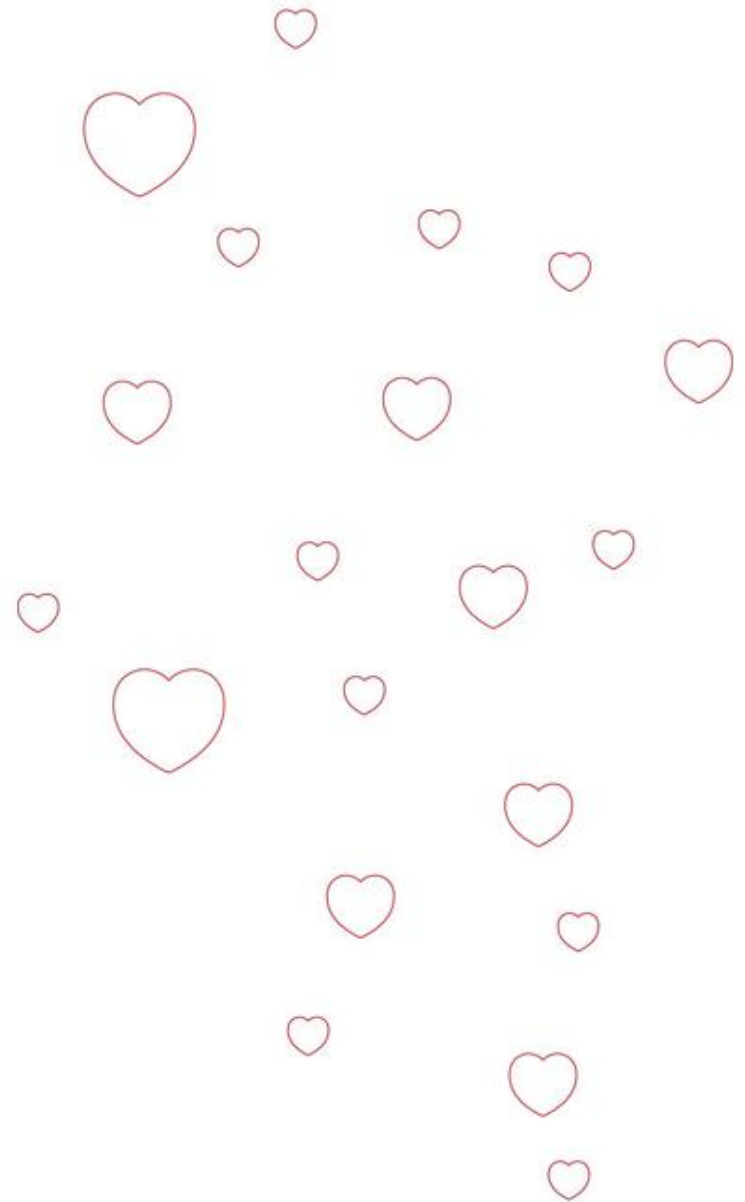
Overview

Sales

Business results

Share performance

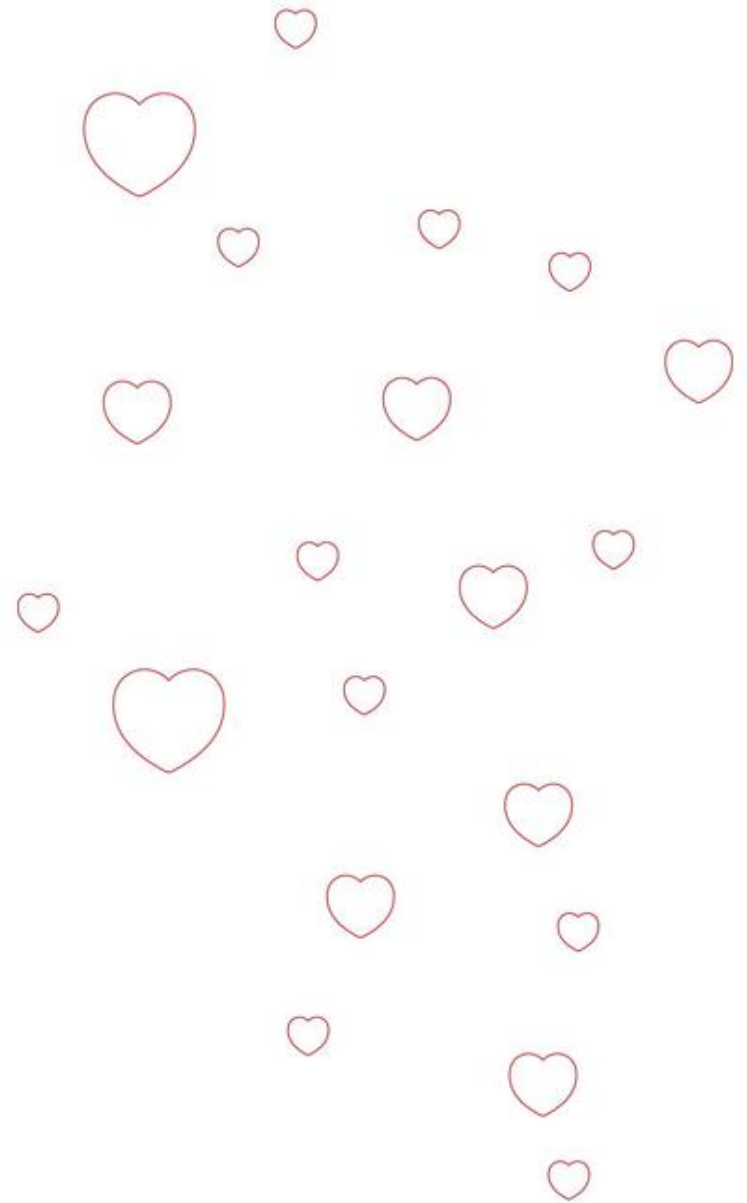
Guidelines for 2010



Disclaimer

This presentation contains certain forward-looking statements with respect to the financial condition, results of operations and business of the Podravka Group. These forward-looking statements represent the Company's expectations or beliefs concerning future events and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements.

Overview



Overview



One of the largest branded food companies in the region

- large brand portfolio
- international Superbrands
- 6,746 employees

Podravka in Croatia

- the largest branded food producer
- the second pharmaceutical company per MS

Production facilities

- mostly in Croatia (food, beverages and drugs)
- Czech Republic, Poland (food), Bosnia&Herzegovina (drugs)

Strong distribution network

- covering key emerging markets
- distribution agreements with Unilever, Hainz & Deit

Strategic Business Areas (SBA)

STRATEGIC BUSINESS AREA

Food and beverages

BUSINESS PROGRAM

Food

- Baby food
- Cream spreads & snack
- Sweets & cereals
- Fishery products & olives
- Fruits & vegetables
- Mill & bakery products
- Tomato products & side dishes

Dishes&Food seasonings

- Universal
- Special
- Meal makers
- Podravka dishes

Meat&Meat products

- Canned meat
- Fresh meat
- Frozen shaped meat
- Sauces
- Sausage products
- Paté

Beverages

- Mineral water
- Spring water
- Ice tea
- Juice
- Syrup
- Instant beverage
- Tea

Pharmaceuticals

RX

- Alimentary tract & metabolism
- Blood & blood forming organs
- Cardiovascular system
- Dermatologicals
- Genito urinary system & sex hormones
- General antiinfectives for systemic use
- Musculo – skeletal system
- Nervous system
- Antiparasitic products
- Respiratory system

OTC

- OTC drugs
- Food supplement
- Herbal products

Pharmacies



Strategic Business Areas (SBA)



Focusing on Research and development



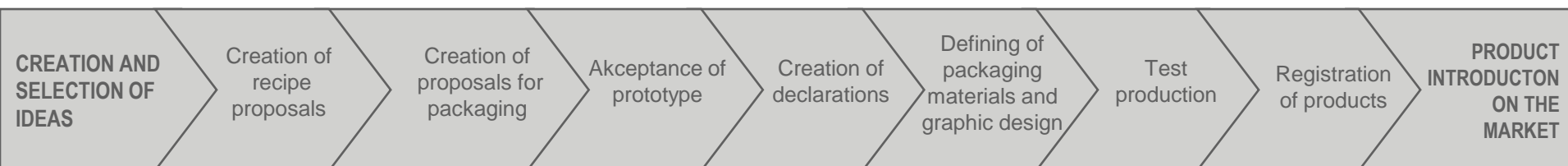
- Podravka has established a highly expert Research and Development team that applies the latest methods used in the world.
- Podravka realized that modern technology and innovation are key factors for the future of the company.



R&D is responsible for:

- development of new products;
- continuous improving of existing products, considering latest trends in the world;
- continuous adjustment to national cuisines, taking into account characteristics of local taste.

Research and development in SBA Food & Beverages



15 SPECIALISTIC DEPARTMENTS WHICH COVER THE MOST IMPORTANT FOOD TECHNOLOGY AND BUSINESS AREAS

NEW AND INNOVATED PRODUCTS IN 2009

BP PODRAVKA FOOD

29

BP DISHES & FOOD
SEASONINGS

14

BP BEVERAGES

10

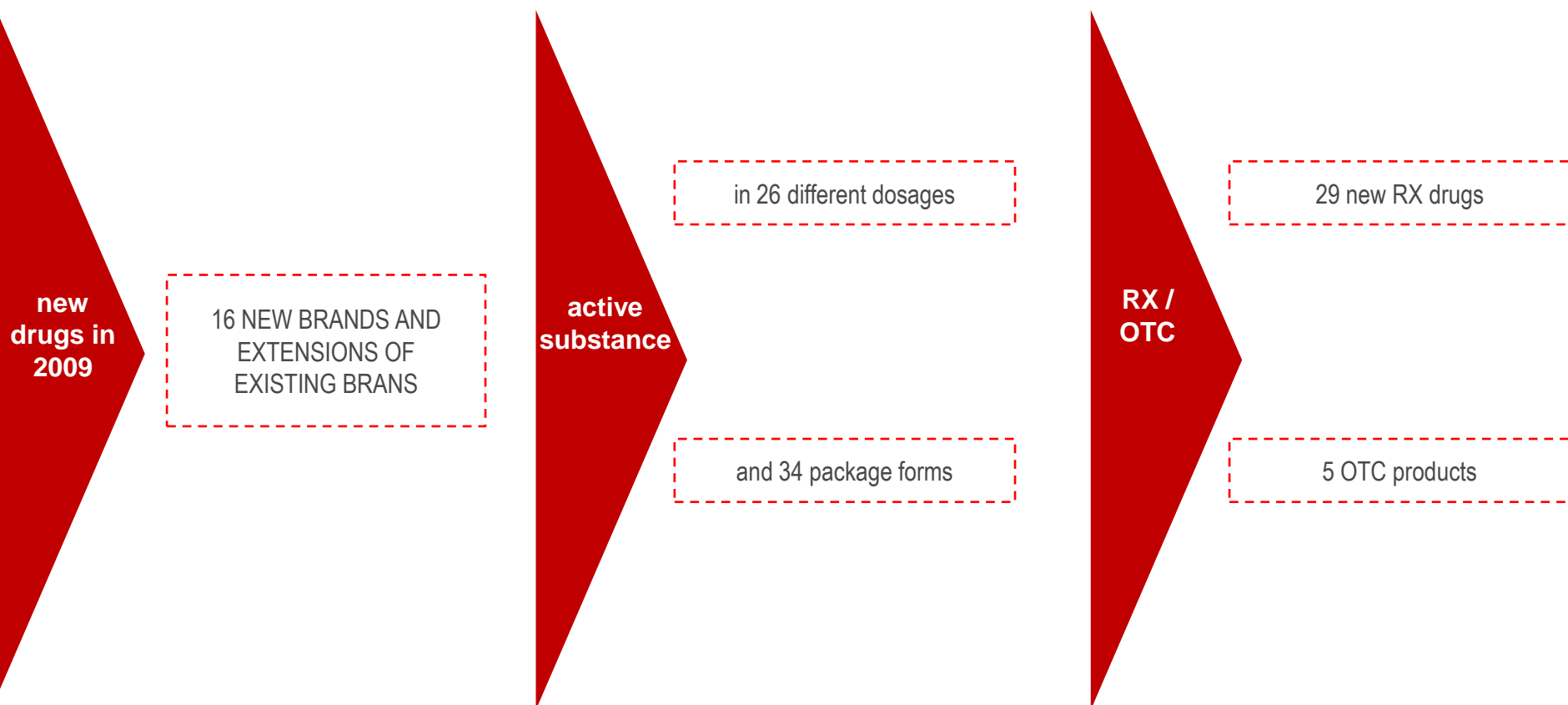
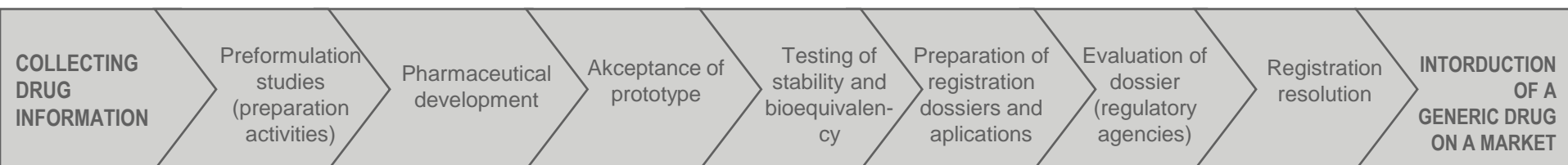
BP MEAT & MEAT
PRODUCTS

8

TOTAL

61 NEW AND INNOVATED PRODUCTS

Research and development in SBA Pharmaceuticals



Intensive development of the new products with high GM



- Vegeta marinades
- Vegeta Natur
- Vegeta mild pepper mix



- Lino vanillino flakes
- Lino keksolino apple
- Lino pillows



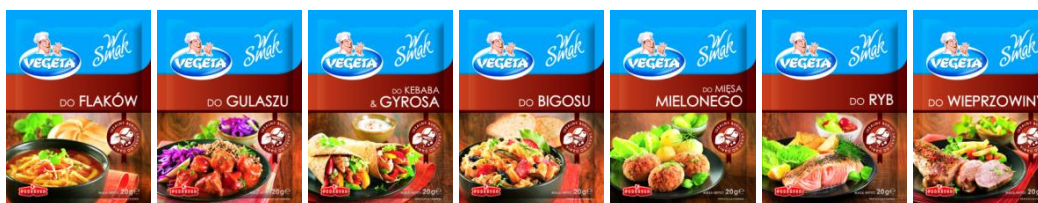
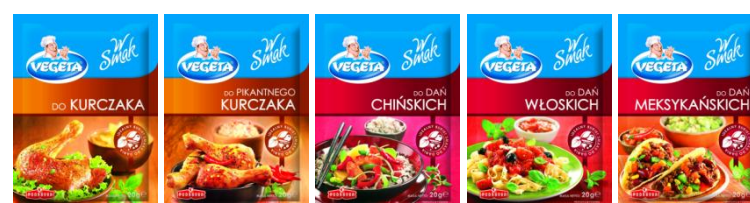
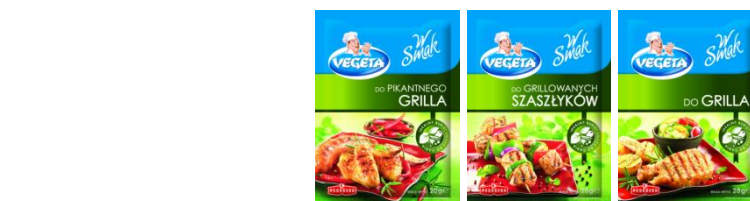
- Fant seasoning mix



Intensive development of the new products with high GM



- Special food seasonings under the Vegeta brand on the market of Poland
- 15 classic food seasoning *Vegeta for...* consists of the highest quality dehydrated herbs and vegetables
- 10 food seasonings *Vegeta Natur for...* contains only natural and finely selected ingredients – aromatic herbs, dehydrated vegetables and fresh spices. The products contain no artificial additives, flavour enhancers or preservatives.



Awards in 2009 and 2010

Trusted Brands Croatia 2009
Awarded by: Reader's Digest

- Vegeta
- Lino
- Neofen



Lino

NEOFEN

Trusted Brands Croatia 2010
Awarded by: Reader's Digest

- soups



Produkt Roku Poland 2009
Awarded by: Produkt Roku

- Chopped Tomato and Pelati



Hit FMCG in 2009 - Poland
Awarded by: Życie handlowe (polish merchants magazine)

- Vegeta took the first position
- Warzywko took the second position.



Hit FMCG in 2010 - Poland
Awarded by: Życie handlowe

- Vegeta Natur



Superior Taste Award 2009
Awarded by: International Taste & Quality Institute, Bruxelles

- Plum Jam
- Sardines in Olive Oil



Superior Taste Award 2010
Awarded by: International Taste & Quality Institute, Bruxelles

- Mineral water Studenac
- Ajvar mild
- Lino lada
- Doughnut mix
- Corn bread mix
- Bread mix with seeds



Best novelty in 2010 - Czech Rep.

- Vegeta Natur



Investments

2007

HRK 291.4 mn

New plant for Lino children's food and cereals (start of production)

Acquisitions

- brands Warzywko and Perfecta
- brand Lero

Belupo

- registration files and registrations

Studenac factory

- production line for packaging

Semi – industrial laboratory
(start of construction)

...


2008

HRK 403.0 mn

Warehousing and distributing center in Dugopolje

Acquisitions

- Lero d.o.o., Rijeka
- brands Čokolešnik and Čoko
- Farmavita d.o.o.
- pharmacies

Rebranding of Studena

Belupo

- registration files

...


2009

HRK 128.6 mn

Farmavita

- new plant for drugs in Bosnia & Herzegovina
- new production line

Belupo

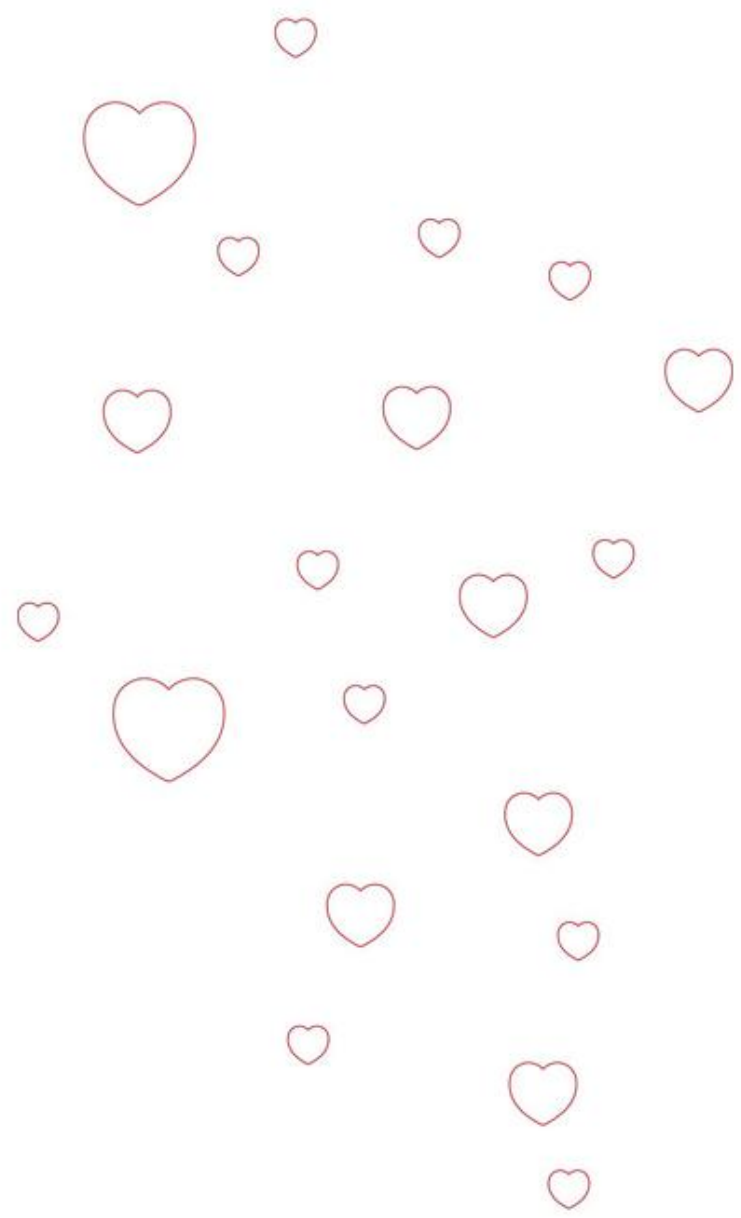
- registration files
- Microsoft licenses

...



1H 2010
HRK 39.3 mn

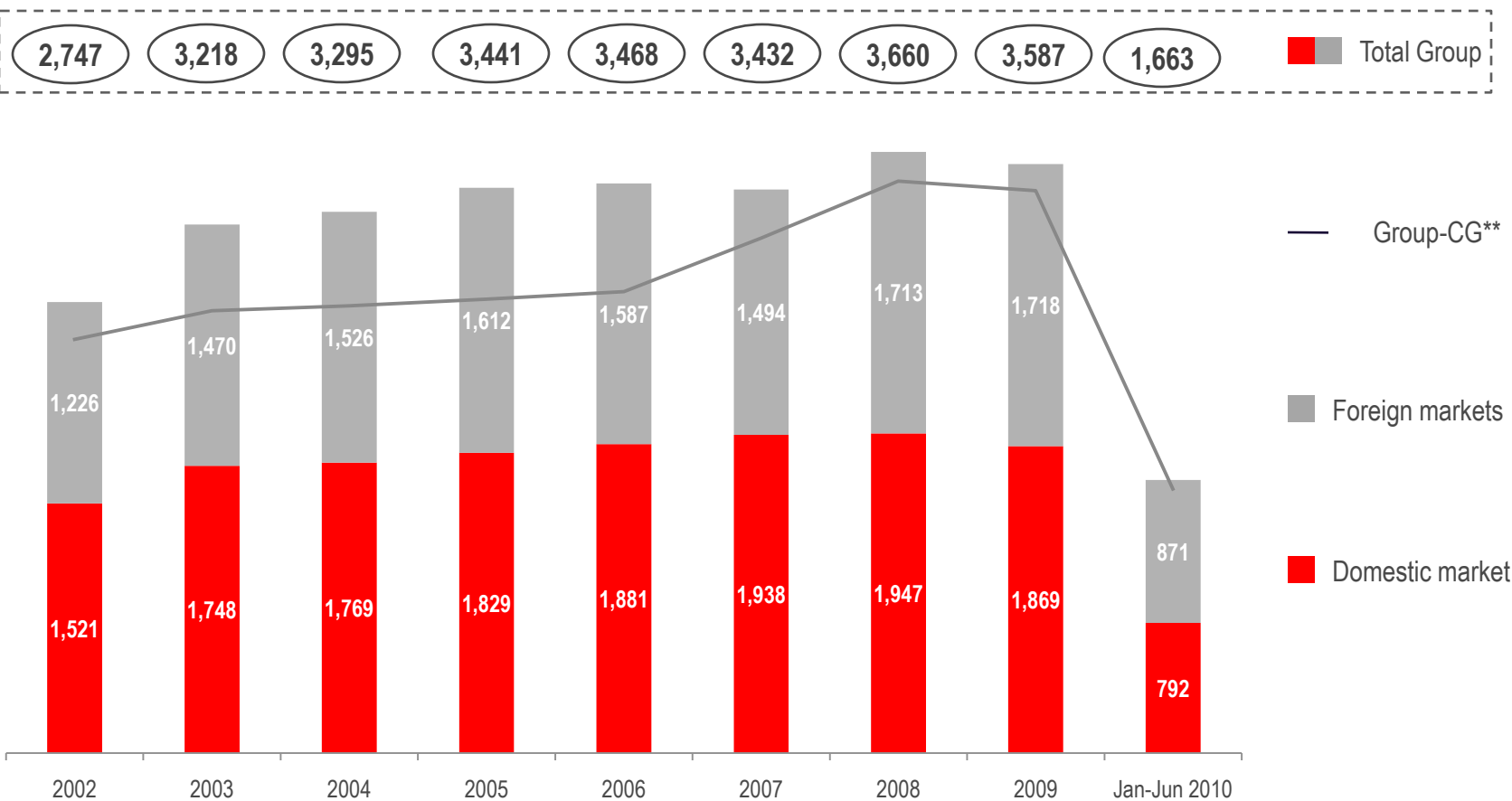
Sales



Sales of the Podravka Group

Sales on domestic and foreign markets
2002 – June 2010

in millions of HRK



CAGR*

2002 – 2009

3.9%

4.5%

4.9%

3.0%

*Compound Annual Growth Rate

**Group-CG Group without commercial goods

Sales structure per SBA

SALES PERFORMANCE

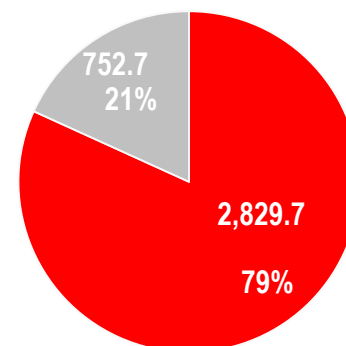
Podravka Group 2009

Group sales	HRK 3,587.1 mn
<i>Change (09/08)</i>	-2%
Food and beverages	HRK 2,829.7 mn
<i>Change (09/08)</i>	-3%
Pharmaceuticals	HRK 752.7 mn
<i>Change (09/08)</i>	+3%

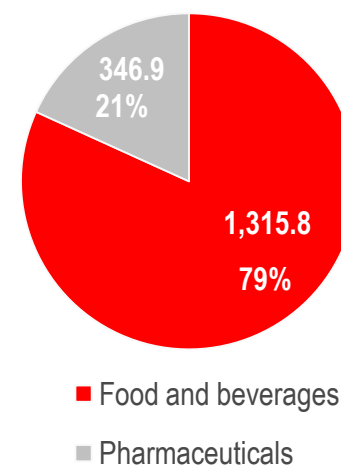
Podravka Group 1H 2010

Group sales	HRK 1,662.7 mn
<i>Change (1H10/1H09)</i>	-4%
Food and beverages	HRK 1,315.8 mn
<i>Change (1H10/1H09)</i>	-4%
Pharmaceuticals	HRK 346.9 mn
<i>Change (1H10/1H09)</i>	-6%

Sales structure per SBA in 2009 (in millions of HRK)

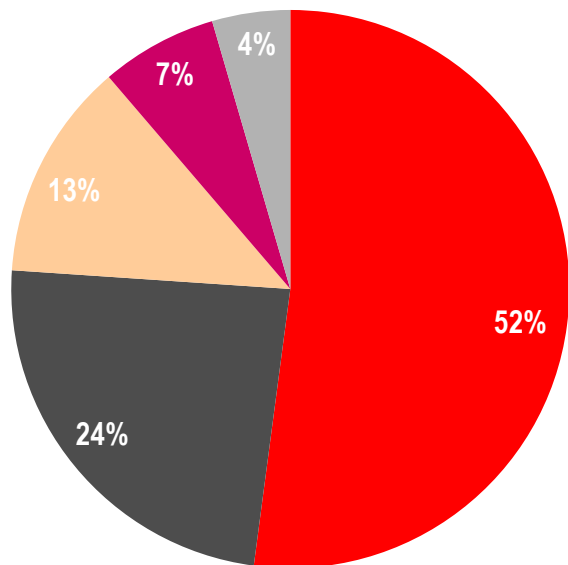


Sales structure per SBA in 1H 2010 (in millions of HRK)

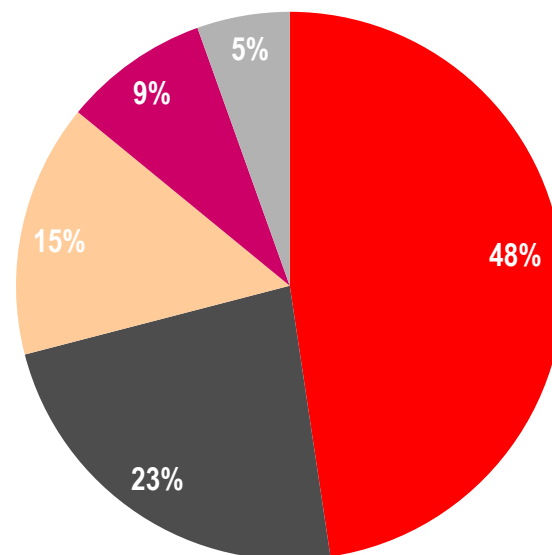


Sales structure per markets

Sales structure of Podravka Group per markets in 2009

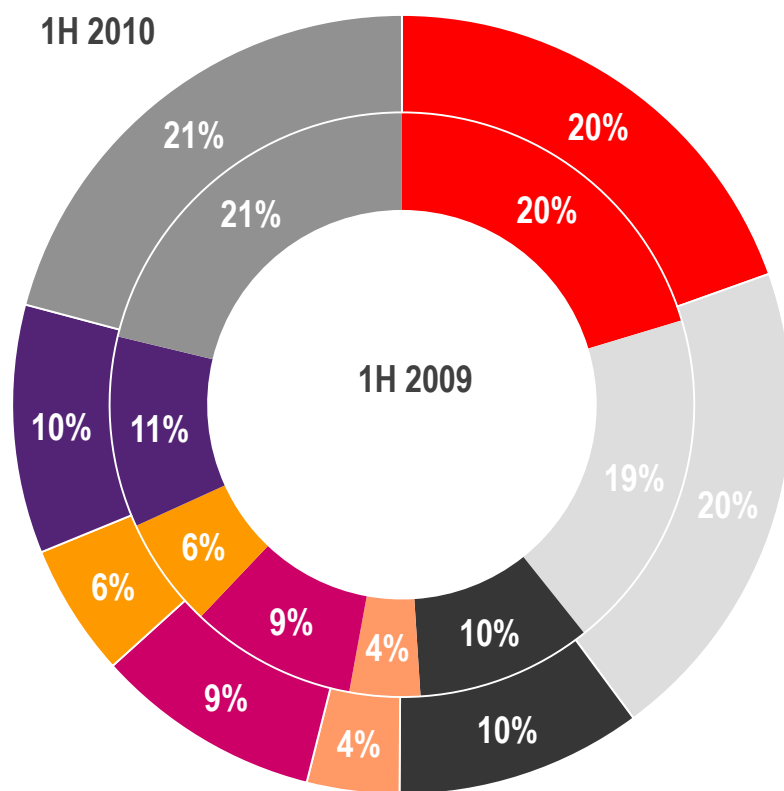


Sales structure of Podravka Group per markets in 1H 2010



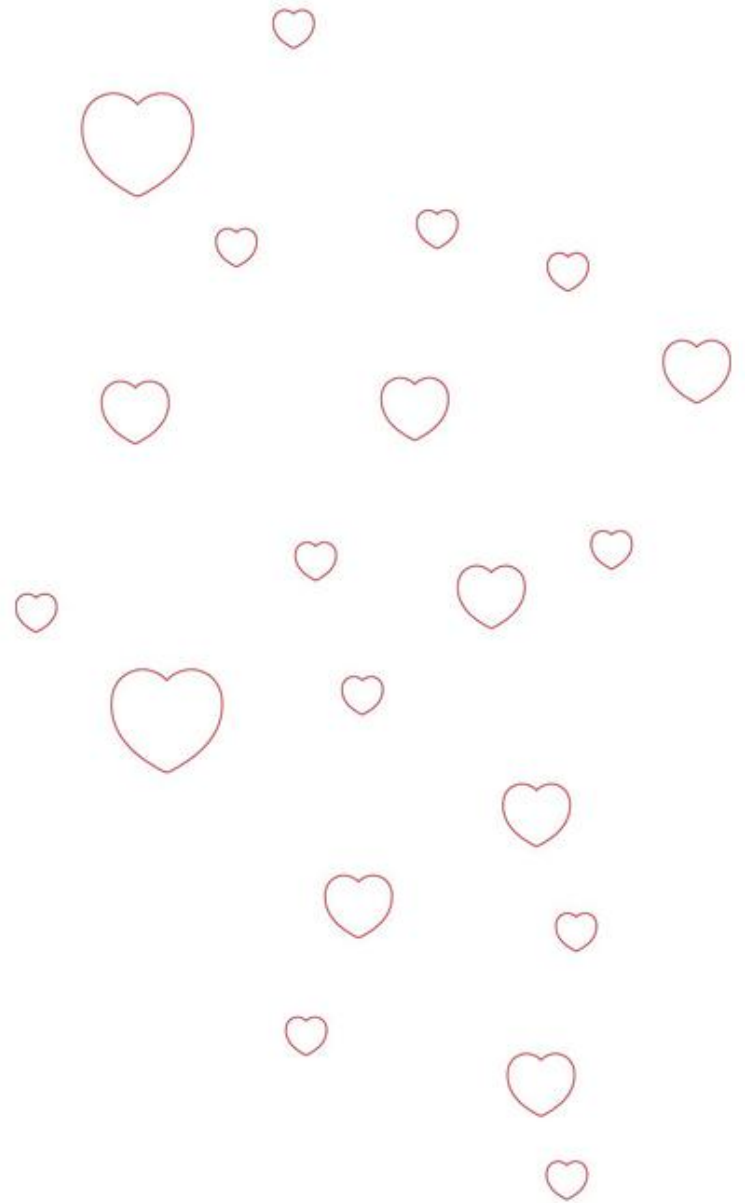
- Croatia
- South-East Europe (Albania, Bosnia and Herzegovina, Montenegro, Kosovo, Macedonia, Slovenia, Serbia)
- Central Europe (Czech Republic, Hungary, Poland, Slovakia)
- Western Europe, overseas countries & the Orient (Austria, Australia, Benelux, Canada, France, Germany, Great Britain, Scandinavia, Switzerland, Turkey, USA, other countries)
- Eastern Europe (Bulgaria, Pribaltic, Romania, Russia, Ukraine, other countries of EE)

Sales breakdown Jan-Jun 2010



Podravka dishes	-8%
Food seasonings	+3%
Baby food, sweets and snack	+1%
Fish and fishery products	-6%
Meat products	-2%
Beverages	-14%
Other	-6%
Pharmaceuticals	-6%

Business results



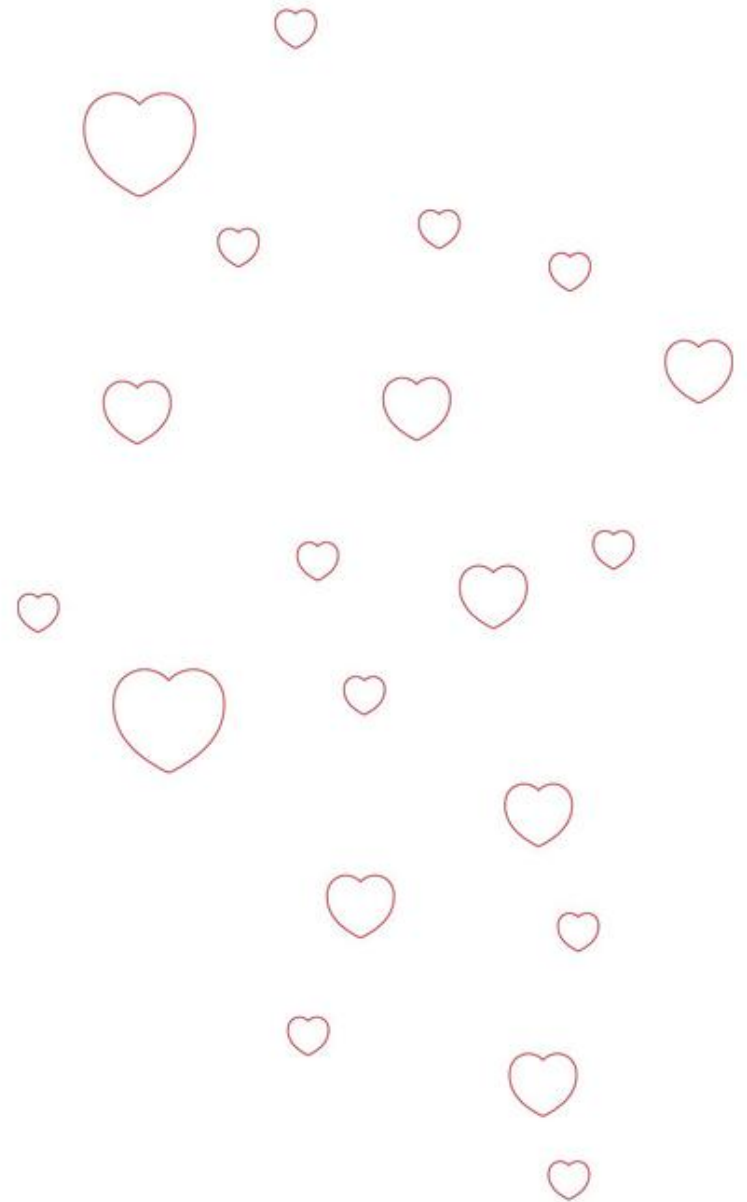
Business results 1H 2010

	Podravka Group			SBA Food & Beverages			SBA Pharmaceuticals		
	1H 2010	1H 2009	10/09	1H 2010	1H 2009	10/09	1H 2010	1H 2009	10/09
Sales	1,662.7	1,737.6	-4%	1,315.8	1,368.5	-4%	346.9	369.2	-6%
Gross profit	688.9	706.6	-3%	500.2	517.0	-3%	188.7	189.6	0%
EBITDA	152.4	154.8	-2%	87.3	90.8	-4%	65.2	64.0	2%
EBIT	74.7	73.9	1%	31.1	32.5	-4%	43.6	41.4	5%
Net profit	31.2	17.3	80%	7.1	-4.1	273%	24.0	21.4	12%
Gross margin	41.4	40.7	70bp	38.0	37.8	20bp	54.4	51.3	310bp
EBITDA margin	9.2	8.9	30bp	6.6	6.6	0bp	18.8	17.3	150bp
EBIT margin	4.5	4.3	20bp	2.4	2.4	0bp	12.6	11.2	140bp
Net margin	1.9	1.0	90bp	0.5	-0.3	80bp	6.9	5.8	110bp

Business results 1H 2010 – corrected results

	Podravka Group			SBA Food & Beverages			SBA Pharmaceuticals		
	1H 2010	1H 2009	10/09	1H2010	1H 2009	10/09	1H 2010	1H 2009	10/09
Sales	1,662.7	1,737.6	-4%	1,315.8	1,368.5	-4%	346.9	369.2	-6%
Gross profit	688.9	706.6	-3%	500.2	517.0	-3%	188.7	189.6	0%
EBITDA	178.3	173.0	3%	113.1	109.0	4%	65.2	64.0	2%
EBIT	100.6	92.1	9%	57.0	50.8	12%	43.6	41.4	5%
Net profit	57.0	35.5	61%	33.0	14.1	134%	24.0	21.4	12%
Gross margin	41.4	40.7	70bp	38.0	37.8	20bp	54.4	51.3	310bp
EBITDA margin	10.7	10.0	70bp	8.6	8.0	60bp	18.8	17.3	150bp
EBIT margin	6.0	5.3	70bp	4.3	3.7	60bp	12.6	11.2	140bp
Net margin	3.4	2.0	140bp	2.5	1.0	150bp	6.9	5.8	110bp

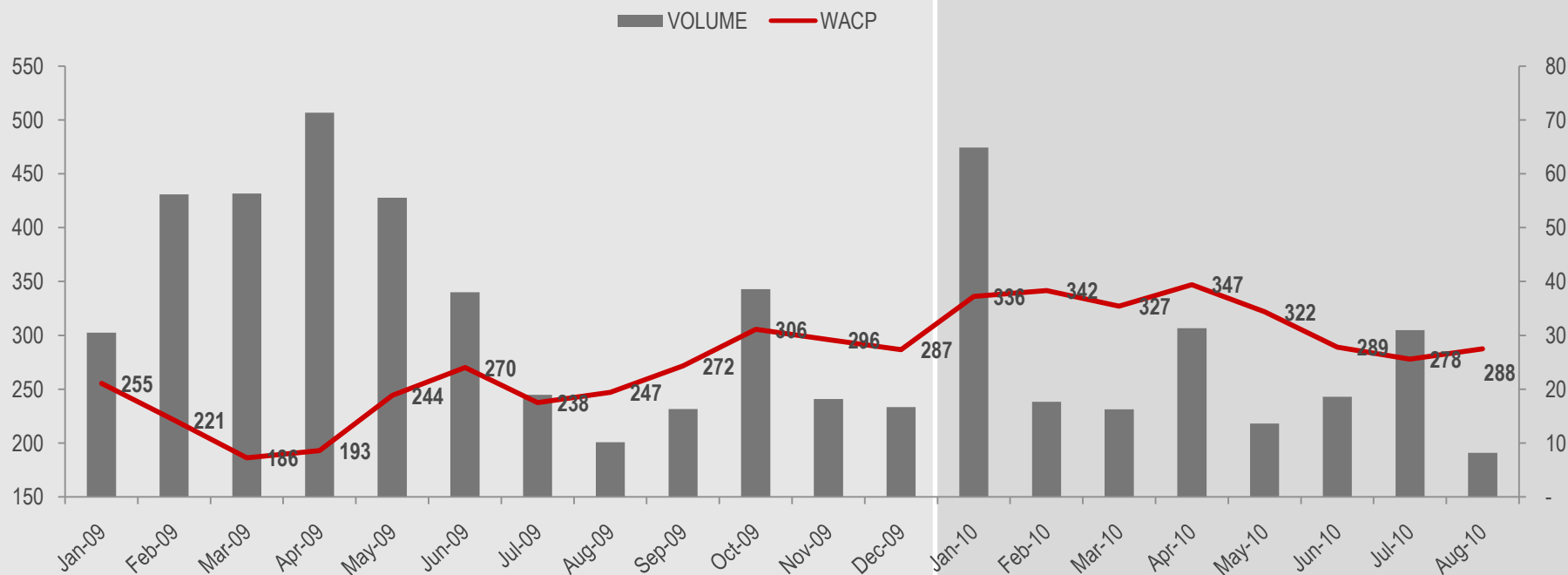
Share performance



Share price and volume movement 2009 - August 2010

HRK

'000 pieces



TICKERS / SYMBOLS

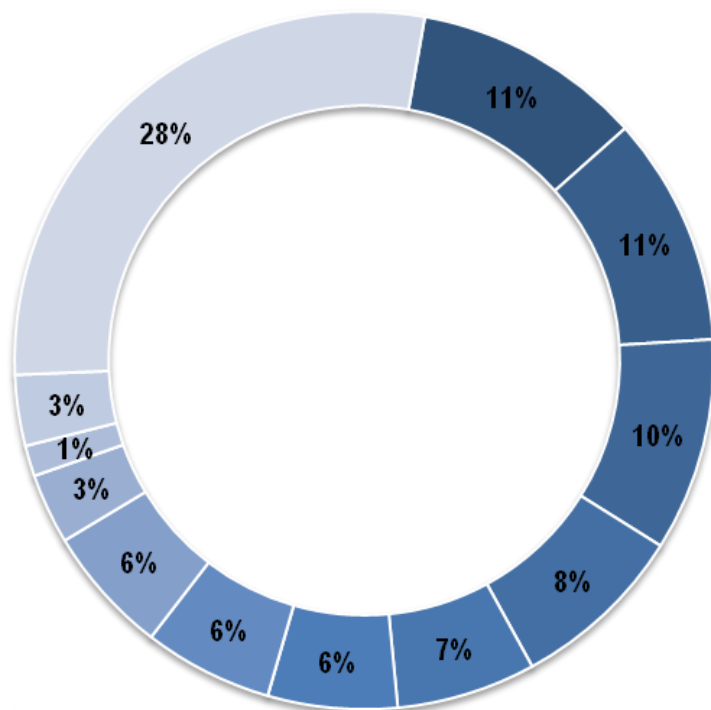
RECOMMENDATIONS

ZAGREB STOCK EXCHANGE
PODR-R-AERSTE
HOLDBLOOMBERG
PODRRA:CZHAAB
HOLDREUTERS
PODR.ZARBA
HOLD

	2009	Jan-Aug 2010
--	------	--------------

Close price	296.99	290.00
Highest price	338.50	400.00
Lowest price	176.00	240.00
WACP	238.39	321.46
Turnover (HRK mn)	100.45	64.70
Market cap. (HRK mn)	1,609.69	1,571.80

Shareholders structure as of 24 September 2010



▶ TOP 10	68.31%
▶ other legal and natural persons	31.69%

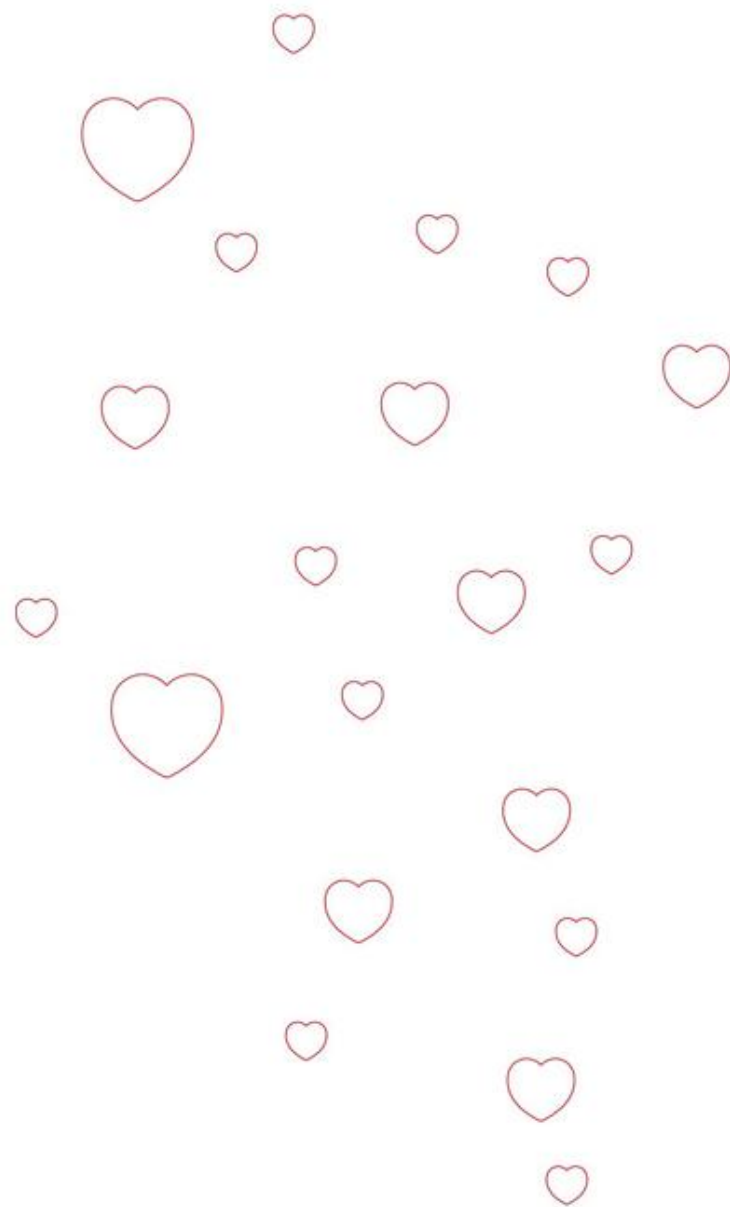
FIMA AMI Ltd.	576,880
CPF/CIPI	575,598
CPF	534,170
Unicredit Bank Austria AG*	439,810
PBZ Croatia osiguranje MPF	349,974
Erste plavi MPF	325,163
AZ MPF	324,291
Kapitalni fond d.d.	321,804
Raiffeisen MPF	176,512
PBZ d.d.*	78,742
Treasury account	177,511
Other owners	1,539,548

Total	5,420,003
--------------	------------------

CPF (Croatian Privatization Fund), CIPI (Croatian Institute for Pension Insurance), MPF (Mandatory Pension Fund)

*omnibus custody account

Guidelines for 2010



Guidelines for 2010

organic **growth** / **development** of new products

strengthening of market shares / key brands and categories **extension**

improvement of operating **efficiency** / **optimization** of business processes / cost **control**

indebtedness **reduction** / financial **stability**

2010

planned SALES GROWTH

planned EBITDA margin

planned EBIT margin

E
S
T
I
M
A
T
E

-5%

11%

6%

Always with a heart

